

**§ XX.109 Presubscribed Interexchange Carrier Charge (PICC).**

(a) A charge expressed in dollars and cents per line may be assessed upon the subscriber's presubscribed interexchange carrier to recover the difference in the maximum subscriber line rate set forth in § XX.108(b)(1) and the maximum subscriber line rates set forth in §§ XX.108(b)(2), XX.108(d) and XX.108(e).

(b) If an end-user customer does not have a presubscribed interexchange carrier, the ILEC may collect the PICC directly from the end user.

(c) ILECs shall assess no more than one PICC as calculated under the applicable method under paragraph (a) of this section for Basic Rate Interface integrated services digital network (ISDN) service.

(d) ILECs shall assess no more than five PICCs as calculated under the applicable method under paragraph (a) of this section for Primary Rate Interface ISDN service.

(e) If an ILEC receives low income universal service support on behalf of a customer under § 54.403(d) of this chapter, and the subscriber elects toll blocking, then the ILEC shall not recover a primary residential presubscribed interexchange carrier charge from that end-user customer or its presubscribed interexchange carrier. Any amounts recovered under § 54.403(d) of this chapter by the ILEC shall be treated as if they were recovered through the presubscribed interexchange carrier charge.

**§ XX.110 Interconnection Charge.**

(a) ILECs may recover the residual interconnection charge through a flat-rated trunk port charge assessed upon interexchange carriers or competitive access providers, as appropriate.

(b) To the extent that the ILEC has a non-service related TIC, the ILEC will target all price cap productivity factor reductions to this charge until it is eliminated.

(c) Targeting of productivity factor reductions will not be applied to tandem switching revenues recovered in the TIC.

**§ XX.111 Marketing Expenses.**

(a) ILECs shall recover interstate marketing expenses pursuant to § 32.6610 of this chapter by including these expenses in the common line service category.

**§ XX.112 Connection Charges for Expanded Interconnection.**

(a) Appropriate connection charges shall be established for the use of equipment and facilities that are associated with offerings of expanded interconnection for special access and switched transport services, as defined in Part 64, Subpart N of this chapter. To the extent that the same equipment and facilities are used to provide expanded interconnection for both special access and switched transport, the same connection charges shall be used.

(1) A cross-connect charge shall be established for the cross-connect cable and associated facilities connecting the equipment owned by or dedicated to the use of the interconnector with the ILEC's equipment and facilities used to provide interstate special or switched access services. Charges for the cross-connect charge shall not be deaveraged within a study area that is used for purposes of jurisdictional separations.

(2) Charges associated with physical collocation or virtual collocation, other than the charge described in paragraph (a)(1) of this section and charges recovering the cost of the virtual collocation equipment described in § 64.1401(e)(1) of this chapter, may reasonably differ in different central offices.

(b) Connection charges shall be initially computed based upon the costs associated with the equipment and facilities that are included in such charges, including no more than a just and reasonable portion of the ILEC's overhead costs.

(c) Connection charges shall be assessed upon all interconnectors that use the equipment or facilities that are included in such charges.

(d) Connection charges for expanded interconnection shall not be subject to price cap regulation.

**§ XX.113 Pricing Zones.**

(a) ILECs may establish a reasonable number of pricing zones within each study area for the Common Line, Local Switching, Tandem Switching and Analog Special Access service categories and for other service categories as appropriate.

(b) Pricing zones may vary by service or by service category.

(c) Such a system of pricing zones shall be designed to reasonably reflect cost-related characteristics, such as the density of total interstate traffic in central offices located in the respective zones.

(d) The establishment of the same initial prices within the pricing zones in a study area shall be based on traffic density. The establishment of different initial prices within the pricing zones in a study area for End User Common Line charges shall be based upon a demonstration of costs.

(e) Pricing zones shall be established as described in Subpart C.

### Subpart C - Pricing Flexibility

[The rules developed in this section will be consistent with the FCC Pricing Flexibility Order adopted on August 5, 1999 in the Access Charge Reform proceeding, CC Docket No. 96-262.]

# **STATE PRICING FLEXIBILITY MATRIX**

**USTA  
BIENNIAL REVIEW PETITION  
AUGUST 11, 1999**

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**TABLE**  
**STATE PRICING FLEXIBILITY MATRIX**  
**COLUMN DESCRIPTIONS**

<b>COLUMN NUMBER</b>	<b>COLUMN NAME</b>	<b>DESCRIPTION</b>
<b>1</b>	<b>CONTRACT PRICING</b>	The availability of customer specific pricing plans or agreements for a given service or group of services that provides the customer with a financial incentive to purchase service(s).
<b>2</b>	<b>PROMOTIONAL PRICING</b>	The availability of pricing plans (e.g., marketing plans) used to temporarily provide a financial incentive to a customer for purchase of a given service or group of services.
<b>3</b>	<b>VOLUME &amp; TERM PLANS</b>	The availability of specific pricing discounts associated with volume (i.e., capacity) and/or term (e.g., 1, 3, 5, etc year) plans for a given service or group of services.
<b>4</b>	<b>GROWTH PRICE PLANS</b>	The availability of additional pricing discounts beyond those associated with volume and/or term plans resulting from a growth in demand for a given service or group of services.
<b>5</b>	<b>GEOGRAPHIC DEAVERAGING</b>	The ability to provide tariff rates that are reflective of geographic characteristics (e.g., zones, densities, costs, etc.) Note: Local exchange rate groups/cell densities are not considered a form of geographic deaveraging and are not included.
<b>6</b>	<b>OTHER PRICING FLEXIBILITIES</b>	The availability and identification of additional pricing flexibilities beyond the flexibilities specified in columns 1 thru 5.
<b>7</b>	<b>NEW SERVICES TREATMENT</b>	Regulatory requirements and/or flexibilities regarding the introduction of new services.
<b>8A</b>	<b>DEREGULATION-PROCESS IN PLACE</b>	The availability/existence of a standardized/mechanized process that may be used to have a specific service or group of services be declared deregulated.
<b>8B</b>	<b>DEREGULATION- DEREGULATED SERVICES</b>	Whether any services have actually been declared deregulated other than services that have been preemptively excluded by the FCC (e.g., Yellow Pages, Inside Wire, CPE, etc.).

# STATUS OF PRICING FLEXIBILITIES BY STATE

03/15/99

STATE	CONTRACT PRICING		PROMOTIONAL PRICING		VOLUME & TERM PLANS (3)	GROWTH PRICE PLANS (4)	GEOGRAPHIC DEAVERAGING		OTHER PRICING FLEXIBILITY (6)	NEW SERVICES TREATMENT		DEREGULATION	
	(1)		(2)				(5)			(7)		PROCESS IN PLACE (8A)	DEREG. SVCS. (8B)
AL	YES	Cust contract/cost&rev anal filed. PSC approval req'd.	YES		YES		YES	Zone pricing in place for Sp Acc & Ded Swit Trans	Trial tariffs can be filed Regulated under a price plan	Effective on 30 days notice even with PSC investigation		YES	YES
ARIZ	YES		YES		YES	YES	YES		Bundling, Trials	Deregulated prod/svcs require petition & other req'ts under a competitive filing incl. docketing & hearings		YES	
ARK	YES		YES	Notification period-1 day Promotion period-No limit	YES				1 day tariff filing on services other than basic local				
CA	YES	14 days in band 40 days out of band	YES	Notification period-5 days Init 120 days & ext 120 days	YES	YES			Price changes are a function of Service Categories	Minimum 40 days notice			YES
COLO	YES		YES		YES	YES	YES		Regulated under a price plan Pending final Order	Filed as deregulated without PUC oversight		YES	YES
CONN	YES	Cust contract/cost & rev anal filed. DPUC approval req'd	YES		YES	YES	YES	Zone pricing for UNE loops & Digital Exch Svc	Trials	Competitive svcs-effect on 14 days notice. Emerging svcs & non-competitive svcs-effect on 21 days notice		YES	YES
DEL	YES	For competitive detariffed services	YES	For 6 months	YES	YES	YES	For special services	Descr svcs-rates may increase 15%/yr Comp svcs- have full flexibilities	Review of tariff depends on classification of service e.g., competitive, discretionary, core		YES	
FL	YES	Cust contract/cost&rev anal filed. PSC approval not req'd	YES		YES		YES	Zone pricing in place for Sp Acc & Ded Swit Trans	Regulated under a price plan	Effective on 30 days notice.		YES	YES
GA	YES	Cust contract/cost&rev anal filed. PSC approval not req'd	YES		YES		YES	Zone pricing in place for Sp Acc & Ded Swit Trans	Trial tariffs can be filed Regulated under a price plan	Effective on 15 days notice.		YES	YES
IDAHO	YES		YES		YES	YES	YES		Bundling	Filed as deregulated without PUC oversight		YES	YES
ILL	YES		YES		YES	YES	YES	Zone pricing permitted for intrastate PL Svcs	State access svcs mirror interstate access services	Effective on 1 days notice with no cost support		YES	YES
IND	YES		YES		YES	YES	YES	Zone pricing permitted for intrastate PL Svcs	State access svcs mirror interstate access services	Effective on 1 days notice with no cost support		YES	
IOWA	YES	Limited	YES			YES			Regulated under a 3-year price plan	Tariff filing effective on 15 days notice		YES	YES
KS	YES		YES	Notification period-20 days Promotion period-No limit	YES		YES						YES
KY	YES	Cust contract/cost&rev anal filed. PSC approval req'd.	YES		YES		YES	Zone pricing in place for Sp Acc & Ded Swit Trans	Regulated under a price plan	Effective on 30 days notice.		YES	YES
LA	YES	Not req'd to file info with PSC	YES		YES		YES	Zone pricing in place for Sp Acc & Ded Swit Trans	Regulated under a price plan	Effective on 10 days notice.		YES	YES
MAINE	YES								No price constraints on non core svcs ex margin costs			YES	YES
MD	YES	Contract filed with PSC with imputation and cost support	YES	On 1 days notice	YES	YES	YES	Permitted under price plan	Rev neutral charges OK No price increase > 10%	Effective on 15 days notice		YES	YES
MASS	YES												
MICH	YES		YES		YES	YES	YES	Zone pricing permitted for intrastate PL Svcs	State access svcs mirror interstate access services	Effective on 1 days notice with no cost support		YES	YES
MINN	YES		YES		YES	YES	YES		Regulated under a 5-year AFOR			YES	YES
MS	YES	Cust contract/cost&rev anal filed. PSC approval not req'd	YES		YES		YES	Zone pricing in place for Sp Acc & Ded Swit Trans	Trial tariffs can be filed Regulated under a price plan	Effective on 30 days notice.		YES	YES
MO	YES	Non-switched & Plexar Custom	YES	Notification per. 10-20 days Promotion period-No limit	YES				Non-Basic rates capped to 1/1/99 Comp rates-LRIC as price floor				
MONT	YES		YES		YES	YES	YES		Bundling	Filed detariffed with pr. flex. on 7 days notice. Non 2-way swit'd voice svcs filed as dereg. with PSC app.		YES	YES
NEB	YES		YES		YES	YES	YES		Rate deregulated	File rate list, 10 days effective		YES	YES
NEV	YES		YES	Notification period-1 day Prom per-Init & ext 120 days	YES				Price changes are a function of Service Categories				
N.H.	YES	If a competitive alternative is available	YES	For 90 days or less	YES				Under ROR regulation	Require full cost support			
N.J.	YES		YES		YES					Full review by the board		YES	
N.M.	YES		YES			YES	YES		Bundling	Standard tariff filing		YES	
N.Y.	YES	ICBs and LSOs	YES	For 90 days on 7-10 days notice	YES				Rev neutral charges OK for non-basic svcs, min/max rates				

# STATUS OF PRICING FLEXIBILITIES BY STATE

03/15/99

STATE	CONTRACT PRICING		PROMOTIONAL PRICING		VOLUME & TERM PLANS (3)	GROWTH PRICING PLANS (4)	GEOGRAPHIC DEAVERAGING		OTHER PRICING FLEXIBILITY (6)	NEW SERVICES TREATMENT (7)	DEREGULATION	
	(1)		(2)				(5)				PROCESS IN PLACE (8A)	DEREG. SVCS. (8B)
N.C.	YES	Cust contract/cost&rev anal filed. PSC approval not req'd	YES		YES		YES	Zone pricing in place for Sp Acc & Ded Swit Trans	Regulated under a price plan	Effective 15 days after filing unless suspended by PSC	YES	YES
N.D.	YES		YES		YES	YES			Bundling	Are classified as non-essential and are subject to complete pricing flexibility	YES	YES
OHIO	YES		YES		YES	YES	YES	Zone pricing permitted for intrastate PL Svcs	Non-res upward pr flex up to 15% annually State access svcs mirror interstate svcs	Effective on 1 days notice with no cost support	YES	
OK	YES	DS3 & Plexar Custom	YES	Notification period-30 days Promotion period-No limit	YES							
OR	YES		YES		YES	YES	YES		Bundling	Requires full tariff filing	YES	YES
PA	YES	CSPs and ICBs	YES	On 10 days notice	YES	YES			Services classified as competitive have full pricing flexibility		YES	
R.I.	YES		YES	On 30 days notice					Services classified as competitive have full pricing flexibility	Tariffed on 30 days notice		
S.C.	YES	Cust contract/cost&rev anal filed. PSC approval req'd.	YES		YES		YES	Zone pricing in place for Sp Acc & Ded Swit Trans	Regulated under a price plan	Effective at end of notice period, not sooner than 14 days	YES	YES
S.D.	YES		YES		YES	YES			Bundling	Are introduced on a price list basis	YES	YES
TN	YES	Filed as tariffs PSC approval req'd	YES		YES		YES	Zone pricing in place for Sp Acc & Ded Swit Trans	Regulated under a price plan	Effective on 30 days notice.	YES	YES
TX	YES		YES	Notification period-21 days Promotion period-No limit	YES				Discr svc: prices range between pr ceiling & LRIC fl. Comp svc: No ceiling/LRIC pr fl			
UTAH	YES		YES		YES	YES	YES		Bundling	Are introduced on a price list basis	YES	YES
VT	YES											
VA	YES		YES	On 30 days notice	YES					Tariffed on 30 days notice	YES	
WASH DC	YES		YES	On 10 days notice for up to 6 months	YES				Discr svcs may incr 15%/yr. Comp svcs full pr flex, tariffs filed on 14 days notice	Normal tariff rules	YES	
WA	YES		YES		YES	YES	YES		Bundling	Requires full tariff filing, cannot be suspended		
W. VA	YES		YES		YES		YES	May lower rates in area to meet competition	May make customer or area specific rate chgs to meet comp	Tariff review depends on service classification	YES	
WIS	YES		YES		YES	YES	YES	Zone pricing permitted for intrastate PL Svcs	State access svcs mirror interstate access services	Effective on 1 days notice with no cost support	YES	
WYO	YES		YES		YES	YES	YES		Bundling	Are introduced on a price list basis	YES	YES

TOTAL  
NO  
STATES

49

46

44

24

30

36

27